



Montana Crop & Livestock Reporter

Cooperating with the Montana Department of Agriculture

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HIGHLIGHTS

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October Milk Production

Milk production in the 23 major States during October totaled 14.4 billion pounds, up 1.5 percent from October 2007. September revised production at 14.0 billion pounds, was up 1.8 percent from September 2007. The September revision represented a decrease of 13 million pounds or 0.1 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,700 pounds for October, 3 pounds above October 2007.

The number of milk cows on farms in the 23 major States was 8.46 million head, 105,000 head more than October 2007, and 1,000 head more than September 2008.

U.S. Cattle on Feed Down 7 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.0 million head on November 1, 2008. The inventory was 7 percent below November 1, 2007 and 8 percent below November 1, 2006.

Placements in feedlots during October totaled 2.44 million, 11 percent below 2007 but slightly above 2006. Net placements were 2.37 million head. During October, placements of cattle and calves weighing less than 600 pounds were 700,000, 600-699 pounds were 615,000, 700-799 pounds were 543,000, and 800 pounds and greater were 580,000.

Marketings of fed cattle during October totaled 1.81 million, 3 percent below 2007 but 3 percent above 2006. Other disappearance totaled 67,000 during October, 43 percent above 2007 but 17 percent below 2006.

October 2008 Red Meat Production

Montana slaughter plants produced 1.4 million pounds, dressed weight, of red meat during October 2008, down 14 percent from last year and down 14 percent from September's production. Cattle slaughter totaled 1,800 head, 300 head below a year ago. The average live weight decreased 8 pounds from the previous year to 1,156 pounds.

During October there were 1,100 hogs slaughtered, down 100 head from a year ago. The average live weight, at 246 pounds, was down 18 pounds from last year. October sheep slaughter totaled 500 head, unchanged from October 2007. The average live weight increased 5 pounds to 106 pounds.

Commercial red meat production for the United States totaled 4.53 billion pounds in October, down 2 percent from the 4.62 billion pounds produced in October 2007.

Beef production, at 2.34 billion pounds, was 4 percent below the previous year. Cattle slaughter totaled 2.99 million head, down 4 percent from October 2007. The average live weight was up 3 pounds from the previous year, at 1,303 pounds.

Veal production totaled 13.6 million pounds, 22 percent above October a year ago. Calf slaughter totaled 95,700 head, up 47 percent from October 2007. The average live weight was down 44 pounds from last year, at 244 pounds.

Pork production totaled 2.16 billion pounds, up 1 percent from the previous year. Hog kill totaled 10.8 million head, up 1 percent from October 2007. The average live weight was down 1 pound from the previous year, at 269 pounds.

Lamb and mutton production, at 15.0 million pounds, was down 8 percent from October 2007. Sheep slaughter totaled 225,000 head, 9 percent below last year. The average live weight was 133 pounds, up 1 pound from October a year ago.

January to October 2008 commercial red meat production was 42.2 billion

pounds, up 5 percent from 2007. Accumulated beef production was up 2 percent from last year, veal was up 2 percent, pork was up 8 percent from last year, and lamb and mutton production was down 4 percent.

October Egg Production

U.S. egg production totaled 7.61 billion during October 2008, down 1 percent from last year. Production included 6.54 billion table eggs, and 1.08 billion hatching eggs, of which 1.01 billion were broiler-type and 69 million were egg-type. The total number of layers during October 2008 averaged 335 million, down 2 percent from last year. October egg production per 100 layers was 2,276 eggs, up 1 percent from October 2007.

All layers in the U.S. on November 1, 2008 totaled 336 million, down 2 percent from last year. The 336 million layers consisted of 280 million layers producing table or market type eggs, 53.3 million layers producing broiler-type hatching eggs, and 2.84 million layers producing egg-type hatching eggs. Rate of lay per day on November 1, 2008, averaged 73.4 eggs per 100 layers, up 1 percent from November 1, 2007.

Egg-type chicks hatched during October 2008 totaled 40.0 million, up 10 percent from October 2007. Eggs in incubators totaled 34.4 million on November 1, 2008, down slightly from a year ago.

Domestic placements of egg-type pullet chicks for future hatchery supply flocks by leading breeders totaled 273 thousand during October 2008, up 48 percent from October 2007.

Broiler-type chicks hatched during October 2008 totaled 742 million, down 7 percent from October 2007. Eggs in incubators totaled 585 million on November 1, 2008, down 7 percent from a year earlier.

Leading breeders placed 6.84 million broiler-type pullet chicks for future domestic hatchery supply flocks during October 2008, down 2 percent from October 2007.

Hired Workers Down 3 Percent, Wage Rates up 3 Percent From a Year Ago

There were 1,117,000 hired workers on the Nation's farms and ranches during the week of October 12-18, 2008, down 3 percent from a year ago. Of these hired workers, 801,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 316,000 workers.

Farm operators paid their hired workers an average wage of \$10.70 per hour during the October 2008 reference week, up 32 cents from a year earlier. Field workers received an average of \$10.05 per hour, up 43 cents from last October, while livestock workers earned \$10.19 per hour compared with \$10.02 a year earlier. The field and livestock worker combined wage rate, at \$10.08 per hour, was up 35 cents from last year.

The number of hours worked averaged 41.3 hours for hired workers during the survey week, down 2 percent from a year ago.

The largest decreases in the number of hired workers from last year occurred in California, the Corn Belt I (Illinois, Indiana, and Ohio), Southern Plains (Oklahoma and Texas), Appalachian II (Kentucky, Tennessee, and West Virginia), and Appalachian I (North Carolina and Virginia) regions. In

California, lack of available irrigation water caused much acreage to be left fallow. Planted acreage of cotton, dry beans, and sugar beets declined sharply from 2007. Therefore, the demand for field workers was considerably lower. Wet conditions in the Corn Belt I, Southern Plains, and the Appalachian I and II regions, compared with the previous year's drier reference week, decreased the need for field workers. Lower cattle inventories in the Appalachian regions led to fewer livestock workers being needed.

The largest increases in the number of hired workers from last year occurred in the Pacific (Oregon and Washington), Corn Belt II (Iowa and Missouri), Northeast I (New England and New York), Delta (Arkansas, Louisiana, and Mississippi), and Mountain II (Colorado, Nevada, and Utah) regions. In the Pacific region, increased acreage of cherries, berries, and grapes heightened the demand for hired workers. Despite wetter conditions in the Corn Belt II region, compared with the previous year's reference week, increased acreage of major field crops kept the demand for hired workers above last year. In the Northeast I region, drier conditions compared with the previous year's reference week led to a stronger demand for hired workers. In the Delta region, larger cattle and hog inventories increased the demand for livestock workers.

Movement of cattle from summer pastures in the Mountain II region was increasing. Therefore, more livestock workers were necessary.

Hired worker wage rates were generally above a year ago in most regions. The largest increases occurred in the Mountain III (Arizona and New Mexico), Appalachian I, Mountain I (Idaho, Montana, and Wyoming), Northeast I and Appalachian II regions. In the Mountain III and Appalachian II regions, the higher wages were due to more salaried workers working fewer hours which pushed the average wage up. The wage increases in the Appalachian I and Mountain I regions were because of a smaller proportion of part time workers in the work force. The higher wages in the Northeast I region were due to a higher percentage of dairy, equine, and nursery and greenhouse workers.

The 2008 U.S. all hired worker annual average wage rate was \$10.59 per hour, up 4 percent from the 2007 annual average wage rate of \$10.23 per hour. The U.S. field worker annual average wage rate was \$9.78 per hour, up 38 cents from last year's annual average. The field and livestock worker combined annual average wage rate at the U.S. level was \$9.89 per hour, up 4 percent from last year's annual average wage rate of \$9.49 per hour.

Hired Workers: Annual Average Wage Rates By Region, 2007-08 1/

Region 2/	All Hired		Field		Field & Livestock	
	2007	2008	2007	2008	2007	2008
Dollars per Hour						
Northeast I	10.49	10.96	9.92	10.35	9.70	10.20
Northeast II	10.62	10.32	9.88	9.72	9.70	9.50
Appalachian I	9.36	9.94	8.78	9.24	8.85	9.34
Appalachian II	9.75	10.30	8.79	9.14	9.13	9.41
Southeast	9.15	9.27	8.50	8.74	8.53	8.77
Florida	9.73	10.06	8.82	9.04	8.82	9.08
Lake	10.87	11.25	10.12	10.80	10.01	10.63
Cornbelt I	10.55	11.10	10.08	10.36	9.90	10.45
Cornbelt II	11.10	11.24	9.89	10.57	10.44	10.77
Delta	8.78	9.38	8.28	8.77	8.41	8.92
Northern Plains	10.36	10.87	10.13	10.47	9.90	10.39
Southern Plains	9.53	9.86	8.38	8.77	9.02	9.27
Mountain I	9.24	9.99	8.50	9.94	8.74	9.64
Mountain II	10.03	10.43	9.23	9.69	9.42	9.88
Mountain III	9.37	10.46	8.26	9.20	8.70	9.82
Pacific	10.69	10.69	9.87	10.05	9.94	10.12
California	10.58	11.04	9.57	9.98	9.74	10.16
Hawaii	12.84	13.22	10.70	10.92	10.86	11.06
United States 3/	10.23	10.59	9.40	9.78	9.49	9.89

1/ Excludes Agricultural Service Workers. Annual rates are averages of the published wage rates for each survey week weighted by the number of hours worked during the week. The annual average for all States, Regions, and the U.S. is based on data collected for January, April, July, and October. 2/ Regions consist of the following Northeast I: CT, ME, MA, NH, NY, RI, VT. Northeast II: DE, MD, NJ, PA. Appalachian I: NC, VA. Appalachian II: KY, TN, WV. Southeast: AL, GA, SC. Lake MI, MN, WI. Cornbelt I: IL, IN, OH. Cornbelt II: IA, MO. Delta: AR, LA, MS. Northern Plains: KS, NE, ND, SD. Southern Plains: OK, TX. Mountain I: ID, MT, WY. Mountain II: CO, NV, UT. Mountain III: AZ, NM. Pacific: OR, WA. 3/ Excludes AK.

World Ag Supply and Demand Estimates

U.S. wheat supply and use projections are mostly unchanged this month with only a minor adjustment to seed use and shifts among classes on imports and exports. Seed use is lowered 2 million bushels reflecting early indications that 2009 winter wheat seedings will be lower than previously expected. The lateness of this year's fall row crop harvest has limited planting opportunities for both soft red and hard red winter wheat. By-class changes to wheat imports and exports are made to reflect the pace of shipments to date. The all wheat season-average farm price is projected at \$6.55 to \$7.15 per bushel, down on both ends of the range from last month's \$6.60 to \$7.40 per bushel. Price prospects for the remainder of the marketing year are dampened by rising world supplies and continued declines in futures and cash prices.

Global 2008/09 wheat production is projected at a record 682.4 million tons, up 2.2 million from last month. Increases for EU-27 and Russia more than offset reductions for Argentina, Australia, and China. EU-27 production is raised 3.4 million tons. Production is raised 2.0 million tons for Russia as harvest results confirm higher yields. Argentina production is lowered 1.0 million tons as persistent early season dryness limited crop development and reduced yield potential more than previously expected. Australia production is reduced 1.5 million tons as dryness continued through October in the southern growing areas reducing expected yields and harvested area. Partly offsetting were timely October rains in Western Australia that supported crop heading and grain fill. Production is lowered 1.0 million tons for China as 2008/09 area and yield adjustments are made in line with revisions to 2006/07 and 2007/08. Recently released estimates by China's National Bureau of Statistics raised 2006/07 and 2007/08 area and lowered 2007/08 production, reducing yields in both years. Afghanistan production estimates for 2006/07 and 2007/08 are also revised lower this month.

World wheat imports and exports for 2008/09 are both raised this month. Imports are raised 0.5 million tons for Pakistan and increased 0.7 million tons for neighboring Afghanistan. Pakistan exports are raised 1.4 million tons reflecting higher expected border trade in wheat flour especially with Afghanistan as that country struggles to meet its food needs with this year's drought-reduced crop. Exports are increased 1.0 million

tons for EU-27 with higher production and larger supplies. Partly offsetting are export reductions of 1.2 million tons for Argentina and 0.5 million tons for Australia on lower production and reduced supplies in both countries.

World wheat consumption is raised 0.9 million tons for 2008/09 reflecting higher expected consumption for Afghanistan and Russia. Record production in Russia is expected to strain storage and handling capacity, boosting product and quality losses and adding to domestic disappearance. Global ending stocks for 2008/09 are raised 0.8 million tons this month with increases for EU-27 and Russia mostly offset by reductions for Australia, China, and Pakistan.

U.S. feed grain supplies for 2008/09 are projected lower as compared with last month's revised forecasts. The November Crop Production report lowers forecast U.S. corn production 13 million bushels. Corn exports are lowered 50 million bushels reflecting slower export sales and shipments and increased foreign competition. Ending stocks are raised 36 million bushels. The season-average farm price is projected at \$4.00 to \$4.80 per bushel, down on each end of the range from the previous \$4.25 to \$5.25 per bushel. Declines in futures and cash prices continue to undermine prospects for the 2008/09 season-average price received by producers. Rising world coarse grain supplies and reduced prospects for global feeding are also expected to pressure U.S. feed grain prices.

Corn supply and use estimates for 2007/08 are revised this month. Imports are raised 2 million bushels and exports are raised 1 million bushels based on August trade data from the U.S. Bureau of Census. Ethanol corn use is raised 26 million bushels on higher-than-expected August ethanol production reported by the Energy Information Administration. Feed and residual use is lowered 25 million bushels.

U.S. sorghum production for 2008/09 is forecast 7 million bushels lower this month. Feed and residual use is lowered 5 million bushels with the reduction in supplies. Ending stocks are projected 2 million bushels lower than in the previous forecast. The season-average farm price is projected at \$3.40 to \$4.20 per bushel, down from \$3.70 to \$4.70 per bushel. Price projections are also lowered for barley and oats, but by lesser amounts.

Global coarse grain supplies are projected 5.6 million tons higher this month with beginning stocks raised 4.1 million tons

and production raised 1.5 million tons. Much of the increase in beginning stocks reflects reduced 2007/08 corn feed use and exports for Brazil. Most of the increase in production is from higher 2008/09 coarse grain production in EU-27 and FSU-12. Global corn production is raised 0.3 million tons with increases for EU-27, Russia, and Ukraine more than offsetting reductions for Argentina and the United States. EU-27 coarse grain production is raised 2.5 million tons with increases for barley, mixed grains, rye, corn, and oats. Russia corn and barley production are raised 0.7 million tons and 0.5 million tons, respectively, based on harvest results. Argentina corn production is lowered 1.0 million tons on lower expected harvested area as lack of timely rainfall reduced plantings. Argentina barley production is lowered 0.4 million tons as drought, frost, and hail damage reduce expected harvested area and yields. Barley production is also lowered 1.0 million tons for Australia as dryness across southeastern growing areas reduce area and yield prospects.

World coarse grain imports and exports for 2008/09 are nearly unchanged this month. Global coarse grain feeding is projected lower with corn feeding reduced 2.6 million tons. Global barley feeding is also reduced 1.3 million tons this month. Global coarse grain stocks for 2008/09 are projected higher this month with corn ending stocks raised 4.6 million tons and barley ending stocks raised 1.1 million tons.

Total U.S. oilseed production is projected at 88.2 million tons, down 0.5 million tons due to lower soybean and cottonseed production. Soybean production is forecast at 2.921 billion bushels, down 17 million bushels based on a lower soybean yield of 39.3 bushels per acre. Soybean crush is reduced 15 million to 1.745 billion bushels due to lower values for soybean oil and soybean meal. Soybean ending stocks are unchanged at 205 million bushels.

Soybean and product price forecasts are all reduced this month. The U.S. season-average soybean price for 2008/09 is projected at \$9.10 to \$10.60 per bushel, down 45 cents on both ends of the range reflecting lower cash and futures prices. Soybean meal prices are projected at \$255 to \$315 per short ton, down \$5 on both ends of the range. Soybean oil prices are projected at 37.5 to 41.5 cents per pound, down 6.5 cents on both ends of the range. (Continued on back page)

World Ag Supply and Demand Estimates (continued from page three)

Global oilseed production for 2008/09 is projected at 417.8 million tons, down 1.3 million tons from last month. Foreign production is reduced 0.7 million tons as lower soybean and cottonseed production is only partly offset by higher rapeseed and sunflower seed production. Brazil soybean production is projected at 60 million tons, down 2.5 million tons from the previous forecast due to reduced area and yield. Despite a strengthening U.S. dollar that has mostly offset the effect of declining soybean prices, recent Brazilian government surveys indicate a lower area projection due to higher costs and reduced credit availability. Global rapeseed production is projected higher mainly due to an increase for China. Recently released government statistics indicate higher rapeseed area, resulting in a 0.5 million ton increase in production to 11.5 million tons. Rapeseed production is projected 0.2 million tons lower for Australia due to lower yields related to excessively dry conditions in some growing areas. Sunflower seed production is raised for both Ukraine and Russia due to higher-than-expected yields. Sunflower seed production is also raised for EU-27. Other changes include higher soybean production for China and EU-27, lower peanut production for China, and lower cottonseed production for Brazil.

Total U.S. meat production forecasts for 2008 and 2009 are reduced from last month, primarily reflecting lower pork and broiler production for 2008 and lower

forecast pork production for 2009. Beef production is reduced fractionally based on the third-quarter production estimate. Pork production for 2008 is lowered because of the slower-than-expected pace of hog slaughter this quarter. The broiler production forecast for 2008 is reduced as a higher third quarter estimate is more than offset by expectations of lower production in the fourth quarter. Hatchery data point to declining eggs set and bird weights have recently begun to decline. Turkey production is raised on higher projected fourth-quarter production. Pork production forecasts for 2009 are reduced from last month as hog slaughter is expected to be lower due to smaller imports of hogs from Canada. There are no changes to other meats for 2009.

Export forecasts for beef and pork in both 2008 and 2009 are reduced as softer international demand and a stronger U.S. dollar are expected to dampen sales. Beef import forecasts are reduced from last month but pork imports are raised. Broiler exports are increased for 2008 as stronger-than-expected shipments in the third quarter more than offset weaker sales in the fourth quarter. Broiler export forecasts are unchanged for 2009. Turkey exports for 2009 are reduced due to weakening demand and a stronger U.S. dollar.

Cattle and hog price forecasts for both 2008 and 2009 are lowered as a result of weaker exports. Broiler price forecasts are unchanged. Turkey price forecasts for 2008 and 2009 are lowered slightly due to higher domestic supplies.

Milk production forecasts for 2008 and 2009 are increased slightly from last month. Cow number forecasts are unchanged from last month. Forecast 2008 milk per cow is raised from last month due to higher-than-expected August and September estimates. Lower expected feed prices in 2009 should support slightly higher growth in milk per cow although gains are expected to remain below historical rates of increase. Weaker international markets will boost domestic supplies. Skim solids stocks for 2009 are reduced as domestic use of skims is forecast higher albeit at lower prices. Sales of nonfat dry milk (NDM) to the CCC are forecast for 2008 and 2009.

Class III and Class IV prices for 2008 and 2009 are reduced from last month as most product price forecasts are lowered. Weak international demand and relatively large supplies of NDM are expected to result in sharply lower forecast NDM prices. Although relatively weak expected demand could pressure butter prices, relatively higher values of Class III products versus Class IV products may encourage milk to flow to cheese production, tightening butter supplies and supporting prices. Cheese prices are lowered reflecting larger expected supplies of cheese. Whey prices are forecast lower than last month on weaker demand. The all milk price is forecast lower this month, averaging \$18.30 to \$18.40 in 2008 and \$15.30 to \$16.20 in 2009.

Wheat: Supply, Disappearance, and Price, United States, 1995-2008

Year Begin- ning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price
	Begin- ning Stocks	Pro- duction	Imports 1/	Total	Domestic Use				Exports 1/	Total Disap- pearance		
					Food	Seed	Feed 2/	Total				
-- Million Bushels --												
1995	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55
1996	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30
1997	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38
1998	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65
1999	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48
2000	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62
2001	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78
2002	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56
2003	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40
2004	546	2,158	71	2,775	910	78	182	1,169	1,066	2,235	540	3.40
2005	540	2,105	81	2,726	915	78	160	1,152	1,003	2,155	571	3.42
2006	571	1,812	122	2,505	938	82	121	1,140	908	2,049	456	4.26
2007 3/	456	2,067	113	2,635	948	88	30	1,066	1,264	2,330	306	6.48
2008 3/	306	2,500	100	2,905	960	82	260	1,302	1,000	2,302	603	6.55-7.15

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary.

SOURCE: World Agricultural Supply and Demand Estimates, November 10, 2008--ERS. Totals may not add due to independent rounding.

COMING IN THE NEXT REPORTER

Livestock and Meats Imports and Exports--ERS
U.S. Meat Supply & Use--ERS
Ag Prices Received
Christmas Letter
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